

Johnson currently is serving a 46 month prison term and cooperating with a expanded investigation.

8. *Senior Swindlers.* Retired Floridians William and Phyllis Lenahan were convicted of conning workers' compensation and physicians' malpractice insurance for \$3 million. William claimed surgery for a work-related back injury was botched, leaving him totally dependent on his wife. In an investigation initiated and paid for by the surgeon, William was videotaped dancing, among other activities. The two each were sentenced to seven year prison terms and ordered in June to pay \$1.6 million in restitution.

9. *Chiropractic Couple.* A Boston chiropractor, Dr. Alan Rosenthal, and his wife, Caterina, were charged with 36 counts as part of a scheme worth an estimated \$2 million. They allegedly made false or inflated claims, subjected clients to unnecessary tests, required a minimum number of visits, and engaged in other conduct. Dr. Rosenthal and his wife's trial is scheduled for February 13 in federal court.

10. *The Atlanta 57 and Counting.* Georgia officials in September arrested 57 people in two counties on 258 counts of insurance fraud. Included in the arrests were two "major runners" (those who refer patients in staged accidents) and a chiropractor. At least 150 false or inflated claims were filed with 15 insurers and costs more than \$1 million. Officials are continuing the investigation and more arrests are expected.

COMMEMORATION OF THE 97TH ANNIVERSARY OF THE DESTRUCTION OF THE BATTLESHIP U.S.S. "MAINE" AND RECOGNITION OF THE CREATION OF THE U.S.S. BATTLESHIP "MAINE" CENTENNIAL COMMISSION IN KEY WEST, FL

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1995

Mr. DEUTSCH. Mr. Speaker, I rise today to ask that my colleagues in the House join me in commemorating the 97th anniversary of the destruction of the battleship U.S.S. *Maine* in Havana Harbor, Cuba, on this day, February 15, 1898.

Today in the city of Key West, FL, a prominent group of citizens has gathered to announce the formation of the U.S.S. Battleship *Maine* Centennial Commission. They are meeting at the historic Key West Custom House where on the second floor a naval court of inquiry convened by President William McKinley met to hear testimony from all the survivors, officers and crew, of the U.S.S. *Maine*, on several occasions in March 1898.

The centennial commission, under the sponsorship of the Key West Art & Historical Society, and Richard Warren, chairman, City Commissioner Joseph Pais, vice chair, and Radm. Ret. Nick Gee, vice chair, wish to call to the attention of all Americans the importance of commemorating the 100th anniversary of this tragic event that destroyed the proud battleship, that killed 260 crew and officers out of 350, and that propelled this great Nation into a war with Spain to the cry of "Remember the *Maine*." This war, the Spanish-American War, that "splendid little war," would lead to the freedom of the Philippines. Puerto Rico, Guam, and the island of Cuba.

Today in Key West, this group of citizens prepares to honor the men of the *Maine* who died without the ability to defend themselves in Havana Harbor on February 15, 1898. They will honor that great steel battleship that had celebrated Christmas of 1897 in Key West Harbor and been ready to sail forth to Cuba on January 24, 1898, to assist, if necessary, Americans in the city on Havana, Cuba. These citizens will proudly remember the *Maine* and all of the great naval vessels that have visited the port of Key West and the near waters. Today they will recall the great Cuban patriots that gathered in Key West throughout the 1890's in the long struggle to cast off the yoke of Spanish tyranny that had laid waste to Cuba. Key West will remember those days in which journalists, war correspondents, Members of Congress, and military leaders strode to the dusty streets following the story that war always unfolds. These were people like Fred-eric Remington, Robley D. Evans, Stephen Crane, Randolph Hearst, Richard Harding Davis, Admirals Sampson and Schley, and Clara Barton of the Red Cross.

Presidents Bill Clinton and Jimmy Carter have, thus far, joined me as honorary members of the U.S.S. *Maine* Centennial Commission. During the next several months the commission will be seeking members from throughout the United States, the great State of Florida, and that little bit of paradise called Key West. I call on all of us here assembled to join Key West and the centennial commission in recognizing their proud efforts. And, together, let us all remember that battleship U.S.S. *Maine* and her crew.

FACTS CONGRESS SHOULD NOT IGNORE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 15, 1995

Mr. JACOBS. Mr. Speaker, when the Congress acts on factual information, it usually does a pretty good job.

Here are some facts which Congress would be ill-advised to ignore.

CHARITIES CANNOT FILL THE GAP THAT SUBSTANTIAL CUTS IN FEDERAL FUNDING OF SOCIAL PROGRAMS WOULD CREATE

We, the 116 undersigned organizations, urge you to consider the following facts carefully and fully before taking any actions that would make charitable organizations responsible for filling the gap that substantial cuts in federal funding of social programs would inevitably cause.

Independent Sector is a national coalition founded 15 years ago, comprised of over 800 voluntary organizations, foundations, and corporate-giving offices with national interest and impact in philanthropy and voluntary action.

We are deeply concerned about suggestions, originating in Congress, that charities fund a substantial share of some of the social programs now financed by the Federal government.

While we would welcome additional tax incentives to stimulate private giving, the increase in gifts they would generate—even by the rosiest projections—would do precious little to offset huge cuts being suggested in the funding of social programs.

SPENDING BY CHARITIES ON SOCIAL PROGRAMS IS ONLY A FRACTION OF GOVERNMENT SPENDING

Government spending on social welfare programs at the federal, state, and local levels totals about \$950 billion a year. Charities as a whole—excluding only churches—spend approximately three-eighths the sum of government outlays: about \$360 billion.

Since the 1960s, charities and government agencies have often worked as partners in addressing critical social needs. In fact, charities receive roughly 30 percent of their revenues—about \$105 billion—from government sources.

If governments were suddenly to stop their funding of social programs through nonprofit charities, the \$105 billion cutback would amount to less than one-eighth of total government spending of \$950 billion. But if the charities as a result were forced to cut their budgets by \$105 billion, it would amount to a drastic nearly one-third reduction in their spending.

Alongside the 30 percent of total revenues that charities receive from government, they receive only 22 percent—about \$80 billion—from private contributions. To offset the loss of all their government funding, the charities would have to increase private gifts to 230 percent of present levels. To offset the loss of half their government funding—\$52 billion—they would have to increase giving to 165 percent of present levels.

Assuming that government agencies slashed their budgets for direct funding of social programs as well as their \$105 billion of indirect funding through charities, the charities would be further burdened in trying to aid former recipients of those direct government services.

CHARITIES WILL NOT BE ABLE TO REPLACE LOST FEDERAL REVENUE AND MEET NEW NEEDS

As for increasing private giving through tax incentives, one major proposal—to restore the charitable deduction for non-itemizing taxpayers—is expected to increase individuals giving by only about \$3 billion a year, or less than 5 percent.

Recent trends in charitable giving offer little basis for optimism. Government reports tell us that individual giving from 1963 to 1993 rose an average 2.4 percent, or \$2.6 billion, a year after inflation. But between 1988 and 1993 the average annual increase was only 1.2 percent. Including contributions by foundations and corporations and individual bequests as well as gifts of living individuals, the average increase between 1988 and 1993 was still only 1.2 percent.

While the percentage of American households giving to charity has remained steady over the years at close to 75 percent, average household contributions dropped between 1989 and 1993 by a disturbing 23 percent after inflation. Likely reasons were worries about the national economy and personal financial security.

Private foundations, which mostly make grants from their endowment incomes, provide about \$10 billion a year to charitable purposes—a relatively small portion of total charity revenues. Moreover, foundations tend to use grants as risk capital to underwrite innovations rather than for general operating purposes. Many must limit their funding to special types of projects.

HIGHER FEES AND DUES WILL PUT CHARITABLE SERVICES BEYOND THE REACH OF THOSE THEY ARE SUPPOSED TO SERVE

Charities receive about 40 percent of their revenues—double what they get from private giving and one-third more than they get from government—through dues, fees, and other charges. Relentlessly rising costs and dwindling government revenues have forced many charities to charge more for services, or start charging for formerly free services.